

To the Members of the California State Senate:

I am returning Senate Bill 1355 without my signature.

This bill would require public and private postsecondary education institutions to disclose specified information regarding the terms of private loans and federal loans in specified financial aid materials. However, recently enacted federal legislation (H.R. 4137) makes changes to the Federal Family Education Loan program, requiring more comprehensive lender disclosures and consumer education of students and families than this bill, particularly as budgeting and financial management relates to student loan programs. The federal legislation also imposes new restrictions on private lenders and education institutions in order to address concerns related to unfair lending practices and conflicts of interest.

Therefore, given the comprehensive nature of the federal reforms recently enacted, I am unable to sign this bill at this time.

Sincerely,

Arnold Schwarzenegger